REMARKS

Claims 13-34 remain pending in the above-referenced application and are submitted for the Examiner's reconsideration. Applicant notes with appreciation the indication that claims 13-15, 18-26, and 29-34 have been allowed. Allowable claim 17 has been rewritten in independent form.

Claims 16, 27, and 28 stand rejected under 35 U.S.C. § 102(b) as being anticipated by United States Patent No. 5,926,212 to Kondo ("Kondo"). Applicant respectfully traverses this rejection because Kondo discloses neither that the zone shift is determined using block shift information from block-based coding nor that a reliability of the zone shift determination is used to decide whether to use the image zone or not. As seen in column 3, lines 48-59, Kondo only describes the detection of motion vector like a motion compensation predictive encoding, but not the use of block shift information from block-based coding. Accordingly withdrawal of this rejection is respectfully requested.

As for dependent claims 27 and 28, Applicant submits that these claims are patentable for at least the same reasons given above.

Applicant asserts that the present invention is new, non-obvious, and useful. Reconsideration and allowance of the claims are requested.

Dated: 12/27/04

Respectfully submitted,

KENYON & KENYON

By: Ten, may

By: Ten, may

Richard L. Mayer Reg. No. 22,490

> One Broadway New York, NY 10004 (212) 425-7200